

**1/31/78**

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Memo	Frank Moore to Pres. Carter, 2 pp., re: Mtg. w/Sen. Clements	1/31/78	C

## FILE LOCATION

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THE PRESIDENT'S SCHEDULE

Tuesday - January 31, 1978

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8:15 Dr. Zbigniew Brzezinski - The Oval Office.

8:45 Mr. Frank Moore - The Oval Office.

9:00 Senator Joseph R. Biden, Jr. (Mr. Frank  
(10 min.) Moore) - The Oval Office.

10:30 Mr. Jody Powell - The Oval Office.

11:30 Vice President Walter F. Mondale, Admiral  
Stansfield Turner, and Dr. Zbigniew  
Brzezinski - The Oval Office.

1:30 Mr. James McIntyre - The Oval Office.

2:00 Meeting with Midwest Governors. (Mr. Jack  
(20 min.) Watson) - The Cabinet Room.

2:45 Drop-By Panama Canal Briefing. (Mr. Hamilton  
(15 min.) Jordan) - The State Dining Room.

THE WHITE HOUSE  
WASHINGTON

OUT JANUARY 31, 1978

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

January 31, 1978

9  
1

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *Fm/pd*

Brock Adams has talked with Senator Domenici about Domenici bargaining with Senator Long to get down to 12¢ and a trust fund on Lock and Dam 26. Domenici is going back to see Long again.

Brock has also talked with Senator Nelson and told him that if Domenici wants to strike a compromise with Long, we would reluctantly accept it since we have backed the Domenici position. But we would cut the deal so that Bizz Johnson and Ullman accept the Senate bill without going to conference.

FYI, no action required.

RECEIVED COPY FROM  
for Preservation Purpose

477

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THE WHITE HOUSE  
WASHINGTON

January 31, 1978

Frank Moore

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

PANAMA CANAL MARKUP  
RECOMMENDED TELEPHONE CALL-  
SENATOR WENDELL FORD

THE WHITE HOUSE  
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
/		MOORE
		POWELL
		WATSON
		McINTYRE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to  
Carp/Huron within  
48 hours; due to  
Staff Secretary  
next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

*Frank - I called -  
He'll hold  
till we  
talk*

THE WHITE HOUSE  
WASHINGTON

RECOMMENDED TELEPHONE CALL

TO: Senator Wendell Ford (D-Ky)

DATE: January 30, 1978

RECOMMENDED BY: Frank Moore, Bob Thomson, Bob Beckel

PURPOSE: To seek Senator Ford's support for the Panama Canal Treaties, or at least a continued pledge of neutrality.

BACKGROUND: Senator Ford has just returned from three days in Panama. He appeared from Panama this morning on the Today Show and indicated he was strongly leaning against the Treaties. The press will surely jump on him tomorrow since Ford has been in everyone's undecided column and we want to avoid his taking a position from which he can't retreat.

TOPICS OF DISCUSSION:

1. Ford is critical to the Treaties' success.
2. The Democrats, except for the very conservative wing, have either endorsed the Treaties or remained undecided.
3. If he opposes the Treaties, it will be seen as a breaking of the Democratic ranks.
4. Border and Southern Democrats like Hollings, Morgan and Huddleston are supporting the Treaties.
5. We must have Senator Ford.

Date of Submission: January 30, 1978

Action \_\_\_\_\_

*P.S. We have heard that Ford has called press conference for tomorrow - we fear this might be for purpose of coming out against the treaty. Call tonight if needed.  
HJ.*



THE WHITE HOUSE  
WASHINGTON

January 30, 1978

C/

MEMORANDUM TO THE PRESIDENT

FROM: FRANK MOORE  
BOB THOMSON *Bob*  
BOB BECKEL

SUBJECT: PANAMA CANAL MARKUP

The Senate Foreign Relations Committee completed work on the Panama Canal Treaties today, reporting both Treaties favorably 14 to 1. Senator Griffin was the sole opponent.

The Committee bowed to Senator Byrd's request that the Resolution of Ratification for both Treaties be reported without amendments. However, the Committee will recommend in its report that the October 14 Statement be incorporated into the Neutrality Treaty by amending Articles 4 and 6.

In Panama over the weekend, General Torrijos told Senator Cranston that to avoid a plebiscite, the October 14th Statement should be added to Articles 4 and 6 of the Neutrality Treaty and not be appended as an additional article. We had supported the opposite position on Friday for exactly the same reason. The confusion arises from the vagaries of Panamanian law. As noted above, the Committee did recommend amendment of Articles 4 and 6, as Torrijos last requested.

Senator Ford is having a press conference tomorrow on the Treaties. You should call him tonight. A telephone call request is attached.

THE WHITE HOUSE  
WASHINGTON

4M

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Action \_\_\_\_\_

478

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WASHINGTON

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488

THE WHITE HOUSE  
WASHINGTON

January 31, 1978

Jack Watson

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

STATE OF KANSAS RESOLUTION

THE WHITE HOUSE  
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
/		WATSON
		McINTYRE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

J. Watson  
reply for  
me -  
brief -  
J

# STATE OF KANSAS

## SENATE RESOLUTION No. 1866

A RESOLUTION urging the President of the United States to reinstate the funds cut from the proposed fiscal year 1979 budget for the Department of Agriculture.

WHEREAS, American agriculture is an essential element of the economy of the United States but, because of increasing prices to produce and declining prices received, farmers are experiencing difficulties that threaten the very foundation of the agricultural structure in this country; and

WHEREAS, The Department of Agriculture was created to help American farmers in their endeavor to produce the world's food supply; and

WHEREAS, The budget proposed by the President of the United States for the Department of Agriculture contained one of the most significant cuts in the entire budget. The proposed budget for fiscal year 1979 was 3.7 billion dollars less than for fiscal year 1978; and

WHEREAS, The budget proposed by the President of the United States for the Department of Agriculture affects all agricultural producing states but especially Kansas because of the great importance of agriculture to our state: Now, therefore,

*Be it resolved by the Senate of the state of Kansas:* That the President of the United States be urged to reinstate the funds cut from the proposed fiscal year 1979 budget for the Department of Agriculture; and

*Be it further resolved:* That the Secretary of the Senate be directed to deliver a copy of this resolution to Governor Robert F. Bennett to be personally delivered to President Jimmy Carter in Washington D.C.

Senate Resolution 1866 was sponsored by Senator Ronald R. Hein.

I hereby certify that the above RESOLUTION originated in the SENATE, and was adopted by that body.

January 30, 1978

Rose O. Doyen  
President of the Senate.

Lu Kenney  
Secretary of the Senate.

2:00 PM

THE WHITE HOUSE

WASHINGTON

January 30, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

JACK WATSON  
ROBERT BERGLAND

SUBJECT:

Meeting with Midwestern Governors on  
Agricultural Problems

Tuesday, January 31, 1978

1:00 - 2:30 p.m.

Your Participation: 2:00 - 2:30 p.m.

~~Roosevelt Room~~ *Cabinet Room*

I. Purpose

Called at the request of Governor Link (North Dakota), Chairman of the Midwestern Governors' Conference, the purpose of the meeting is to give you and key members of your Administration a chance to discuss agricultural problems with 15 Midwestern Governors.

II. Participants and Press Plan

A list of participants is attached. There will be a photo opportunity when you join the meeting at 2:00 p.m. Secretary Bergland and Governor Link will brief the press after the meeting in the West Lobby.

III. Agenda

The meeting will begin at 1:00 p.m. and will be conducted by Secretary Bergland. Governor Link will be asked to make an opening background statement. He will then introduce, in turn, the five Governors who will make brief presentations on the five issues suggested by the Midwestern Governors as discussion topics. The five issues and the Governors who will discuss them are:

- o International commodity agreements more favorable to American producers (Governor Judge, Montana);
- o A set-aside program with target prices sufficiently above loan prices to encourage greater participation (Governor Kneip, South Dakota);
- o The need for alternate forms of credit with special emphasis on young farmer financial assistance (Governor Bennett, Kansas);
- o Executive actions to reduce red meat imports (Governor Boren, Oklahoma);
- o The Administration's position on amendments to the Farm Bill and other agricultural policy proposals (Governor Exon, Nebraska).

Following these brief presentations, Secretary Bergland will take 10-15 minutes to respond and will then invite the other members of the Administration to comment and entertain questions from the Governors.

You will join the meeting at 2:00 p.m. Secretary Bergland will ask Governors Link, Judge, Kneip, Bennett, Boren and Exon to take not more than 10 minutes total to review their presentations on the above five topics. Secretary Bergland will then briefly review his comments and those of Messrs. Strauss (bringing Dick Rivers), McIntyre (bringing Bowman Cutter), and Katz. You will then have approximately 10-15 minutes to make a statement and conduct a general discussion.

#### IV. Talking Points

The attached talking points and background material are drawn from materials prepared by Secretary Bergland's staff and Lynn Daft of Stuart Eizenstat's office.

Attachments



PARTICIPANTS

WHITE HOUSE MEETING WITH MIDWESTERN  
GOVERNORS ON AGRICULTURAL PROBLEMS

January 31, 1978  
1:00 p.m. - 2:30 p.m.

Roosevelt Room

PARTICIPANTS

Administration

President Carter  
Robert Bergland  
Jack Watson  
Robert Strauss  
James McIntyre  
Julius Katz (State Department,  
Economic and Business Affairs)  
Bowman Cutter  
Richard Rivers (General Counsel  
for Trade Negotiations)

Midwestern Governors

Governor James R. Thompson (Ill.)  
Governor Robert D. Ray (Iowa)  
Governor Robert F. Bennett (Kansas)  
Governor William G. Milliken (Mich.)  
(tentative)  
Governor Rudy Perpich (Minn.)  
Governor Joseph P. Teasdale (Mo.)  
Governor Thomas L. Judge (Mont.)  
Governor James Exon (Nebr.)  
Governor Arthur A. Link (N. Dak.)  
Governor David L. Boren (Okla.)  
Governor Richard F. Kneip (S. Dak.)  
Governor Richard D. Lamm (Colo.)  
(tentative)

Governors' Representatives

Lt. Governor William J. Murphy  
(Idaho)  
Gus Rubin Douglas, Secretary of  
Agriculture (W. Va.)  
Donald W. Moreau, Director, Depart-  
ment of Commerce (Indiana)  
Gary E. Rohde, Secretary of  
Agriculture (Wisconsin)  
Woody Gagnon, Executive Assistant  
(North Dakota)

National Governors' Association

Steve Farber

TALKING  
POINTS

## SUGGESTED TALKING POINTS

- \*\* Indicate an awareness that many farmers are faced with serious economic problems. To a great extent, this is a result of an earlier policy that encouraged fence row-to-fence row planting.
- \*\* The seriousness of the problem varies greatly from one region to another and among individual farmers. It is worst in the wheat producing regions and in those areas affected by the drought.
- \*\* A number of actions have already been taken to deal with the situation (see attached list), including:
  - deficiency payments of \$1.7 billion to producers of wheat, barley, and sorghum.
  - liberalization of the farm storage facility loan program.
  - authorized a grain reserve of 30 to 35 million tons, largely farmer-held.
  - announced a 20 percent wheat set-aside and a conditional 10 percent feed grain set-aside for the 1978 crops.
  - authorized refinancing and postponement of interest payments and suspended foreclosures on loans in trouble by the Farmers Home Administration.
  - more than doubled the short-term export credit program this fiscal year to \$1.7 billion.
  - the successful negotiation of an international sugar agreement.
- \*\* Several further actions are either planned or underway, including:
  - a proposal to consolidate and expand our agricultural disaster programs.
  - amendments to the USDA farm loan programs to raise the maximum loan limits and to provide a special credit program for young farmers.

TALKING POINTS  
PAGE 2

- legislation to establish an international emergency food reserve of up to 6 million tons.
- negotiation of an international wheat agreement.
- \*\* Despite these actions, we recognize that other actions might be required and are anxious to have the benefit of the Governors advice.
- \*\* The 100 percent of parity approach leaves much to be desired. Parity price is not a meaningful standard for farm programs. It is simply a comparison of prices; as such it bears no direct relationship to farm receipts, to cost of production, or to the income position of producers. If adopted, 100 percent of parity would either mean sharply higher food prices or a huge increase in budget costs. It would also entail a much greater degree of governmental control than has ever been acceptable before.

THE PRESIDENT HAS SEEN

THE WHITE HOUSE

WASHINGTON

31 January 1978

TO: THE PRESIDENT  
FROM: RICK HUTCHESON *R.H.*  
SUBJECT: Memos Not Submitted

1. GRIFFIN BELL MEMO regarding a front-page story in the Washington Post on January 10, 1978, which suggested that the Supreme Court had sustained the constitutionality of the legislative veto. In fact, the Supreme Court merely decided not to hear either of the cases involved, and "indicated no view whatsoever on the question of the constitutionality of the legislative veto." Lipshutz concurs in this assessment. ✓
2. ARTHUR BURNS sent you a copy of his speech before the National Press Club yesterday. (The speech contains nothing remarkable, but is friendly in tone toward the Administration, and includes a call for enactment without delay of an energy policy which would reduce our dependence on imported oil.) ✓

For release on delivery  
Monday, January 30, 1978  
1:00 PM, E.S.T.

*Dear Mr. President -*

*This talk may be  
of interest to you -  
But wishes!*

*ASJ*

Some Parting Thoughts

Address by

Arthur F. Burns

Chairman, Board of Governors of the Federal Reserve System

at the National Press Club

Washington, D. C.

January 30, 1978

Let me say first of all that I am most appreciative of the invitation to appear before you. In making my final public appearance as Chairman of the Federal Reserve Board here at the National Press Club, I take some pride in thinking that my relations with the press over the years have been forthright and decent. I at least like to think that I have avoided the "us" and "them" mentality that so often afflicts public figures in their dealings with the press. Certainly, the press has generally treated both me and the Federal Reserve System fairly. For my part, I have found the press a vigilant ally in the endless task of contributing to public understanding of the problems before our Nation.

Having spent much of my life wrestling with the subtleties and uncertainties of political economy, I am sensitively aware of the pitfalls that surround coverage of economic and financial news. I say most sincerely that I have great admiration for the professional job that the press corps does, day after day, in reporting and interpreting economic developments. To this assessment I have only one qualification, namely, that broadcast journalism still is not as effective as it might be in dealing with economic news. I recognize, of course, that the constraint of limited time slots presents formidable difficulties. In any event, written journalism,



as it applies to economics, has in my judgment attained truly impressive maturity.

This luncheon is not a "good-bye," since I may be doing some things in the future that will interest you professionally. In fact, it's not beyond the realm of possibility that I may even be joining your ranks in one capacity or another. Those in town who think the time for farewell has come are mistaken. Neither a shedding of tears -- nor any special rejoicing -- is yet in order.

There are a few thoughts I would like to share with you on this occasion. The economy is doing very well in some respects and poorly in others. In analyzing trends, I find it helpful to distinguish between the performance of the economy in recovering from the recent recession and its performance in coping with longer-run, deeply imbedded problems.

The economic expansion that began almost three years ago still has vitality in my estimation and I see no serious risk that it will peter out soon. The upsurge in sales with which 1977 ended caused inventories to be drawn down in numerous businesses, thus creating a likelihood that over-all economic activity will receive a special fillip for a while from businessmen's efforts to rebuild stocks. And with consumer activity,

housing activity, and governmental activity all still exhibiting expansionary tendencies, I believe that further gains in employment and income lie ahead.

Business investment activity, to be sure, is still not showing decisive robustness. This reflects the uncertainties and unease that continue to haunt our business and financial environment. I expect, nevertheless, that the tax relief which the President has proposed for business will lead to a strengthening of investment commitments as 1978 unfolds. In saying this, I do not mean to embrace each and every aspect of the Administration's tax and budgetary strategy. Many of you know my views well enough to appreciate that a tax program structured to my liking would be tilted more decisively toward the stimulation of savings and investment. I think you also know that I feel that tax reduction at this stage of economic expansion should be primarily accommodated by limiting expenditures, so that significant shrinkage in the Federal budget deficit might still be achieved. But on the specific issue of tax reduction for business, I do believe that what has been proposed will help to relieve the low level of corporate profitability that has prevailed in recent times and thus constitutes an important plus for the capital-goods outlook this year and next.

So much for the bright side of the coin. The generally good record of our economy in terms of recovery from recession stands in marked contrast to a virtual absence of progress in coping with the overlay of our longer-term economic problems. I am thinking particularly, of course, of the dispiriting failure we have experienced in making headway against inflation. I am thinking also of our inability to solve the structural unemployment that is causing so many young people and blacks to be left outside the mainstream of national progress. And while most people probably think of our well-publicized balance-of-payments difficulties as being of recent origin, they too in fact are the product to a considerable extent of deep-rooted ailments that we have not dealt with effectively.

Last year witnessed no progress toward a less inflationary environment. Rather, the basic inflation rate settled in the 6 per cent area, reflecting the difference between average annual pay increments of labor that are running above 8 per cent and productivity gains that are averaging little more than 2 per cent.

While the discrepancy between wage and productivity increases is tending at present to perpetuate inflation, it is important to recognize that the inflationary problem with which this Nation is burdened did not originate with an irresponsible

wage push on the part of American workers or their unions. Rather, the tragic skein of events in which we are caught is chiefly traceable to fundamental mistakes of governmental policy made in the mid-1960's. Those mistakes involved over-stimulation of the economy at the very time our military involvement in Vietnam was escalating and when we were also embarking upon Great Society programs that were to become an increasingly heavy drain on the Federal budget. The pressures on available resources generated in the mid-1960's started us on a path of enormous budget deficits and rapid inflation from which we have not been able to disengage ourselves. Indeed, we have continued to compound our problem by seeking to fine-tune the economy by governmental fiscal actions that, in my judgment, have weakened the private sector's dynamism and efficiency.

Events of recent years, such as major crop failures and the sharp rise in oil prices, have merely aggravated the underlying inflationary bias that our government, under both Republican and Democratic Administrations, has imparted to the economy. Other developments -- such as the escalator arrangements sought and achieved by various economic groups -- have speeded the transmission of inflationary impulses across

the economy. In sum, over an extended span of time, we as a Nation first created enormous upward pressures on the price structure, and we then devised elaborate arrangements that tend to perpetuate those pressures even under conditions of economic slack.

The inflation plaguing our economy may not end quickly. Government has, however, a special leadership role in the pursuit of moderate fiscal and monetary policies, in encouraging wage restraint by way of example, and in many other particulars. But private actions are critical too, ranging from more determined pursuit of productivity gains to the conduct of collective bargaining in ways that are more responsible in a broad social sense. We see nowadays too many excessive wage settlements entered into by managements and trade unions, who then band together in seeking governmental protection from the market consequences of their own actions.

The need to fight inflation is widely recognized in our country, but the will to do so is not yet strong enough. I have no doubt that the will to get on energetically with the job of unwinding the inflation will be forged someday. I only hope this will come through a growth of understanding, not from a demonstration that inflation is the mortal enemy of economic progress and our political freedom.

And just as we need a more determined approach to the challenge of inflation, so too do we need fresh initiatives for dealing with structural rigidities in the job market. The heavy incidence of unemployment among young people and blacks will not be remedied by general monetary and fiscal policies. We need, instead, specialized efforts: first, efforts to overcome serious educational deficiencies so that individual job seekers will possess greater marketable skills; second, efforts to eradicate impediments that stand in the way of job opportunities for young people and minorities even when the potential for effective job performance is present. These impediments include Federal and State minimum-wage laws, restrictive practices of various craft unions in limiting membership, unnecessary licensing and certification requirements for many jobs and business undertakings, and -- I must add to our shame -- continuing racial discrimination. This Nation can have no greater priority than to end the tragic human wastage that we have been allowing to occur.

The disappointing aspects of economic performance are not confined to the domestic sphere. Full prosperity in this country can hardly be achieved in the absence of a healthy world economy and a stable international financial system.

The recent steep decline in the value of the dollar in foreign exchange markets -- precipitated in large part by our enormous trade deficit -- has become a matter of serious concern.

To be sure, there are those who argue that recent exchange market developments are not worrisome. Indeed, much of conventional wisdom holds that a depreciating currency will improve a nation's trade position and, in turn, benefit its economy. Whatever merit may attach to this theory, it would serve our country poorly -- particularly at the present time when such a large part of the world's economy is in a semi-stagnant condition.

The dollar, we must remember, is the currency in which the preponderance of world trade is conducted. It is also a store of value for practically every central bank, for multinational corporations, and for people of wealth and means around the world as well as for the American people. Continued uncertainty about the future value of the dollar could produce a disorderly, unsettling flight from dollar assets. It could lead to hesitation about spending or investing decisions around the world that would be inimical to prosperity -- including the expansion of our exports. If the currencies of some foreign

countries, especially those that depend heavily on exports, should experience significant further appreciation, their economies might well suffer. Such a development could reinforce recessionary tendencies and add to the risk of fostering protectionist sentiment around the world.

That the depreciation of the dollar has recently added to economic uncertainties both here and abroad is well understood by the Administration. That is why the President has reassured the world about our country's determination to protect the integrity of the dollar. That is why the Treasury and the Federal Reserve have recently taken steps that have been helpful to the functioning of foreign exchange markets. But the technical measures so far taken cannot of themselves assure a permanently strong dollar.

To protect the integrity of the dollar, we must enact without further delay an energy policy that promises substantial reduction of our dependence on imported oil. Second, we need to institute tax policies that will encourage business capital investment -- including investment in this country by foreigners. Indeed, policies that make the United States a more attractive haven for foreign funds are especially important, since we cannot reasonably expect dramatic improvement over the



near-term in the trade portion of our international payments accounts. Finally, our international payments imbalance requires an anti-inflation strategy that promises to enhance the competitiveness of our products in international markets.

These requirements of policy will not only serve to strengthen the foreign-exchange value of the dollar and thus the entire international financial system. They are equally essential from the viewpoint of our domestic economy. An effective energy policy, a tax policy to stimulate capital investment, and a meaningful anti-inflation policy -- all this, as the Administration recognizes, is vital to our domestic prosperity.

Before closing, I want to comment very briefly on a matter that, to my mind, can make an enormous difference to the future of our country. I refer to the special status of the Federal Reserve System within our governmental structure.

Throughout the ages, national governments have had a chronic tendency to engage in activities that outstrip the taxes they are willing or able to collect -- a practice that was facilitated in earlier times by clipping precious coins and in modern times by excessive printing of paper money and coercion of central banks. To afford a measure of protection against such

political abuses, the authors of the Federal Reserve Act provided for an independent central bank, and their action -- while at times questioned -- has been confirmed time and again by the Congress. In other words, substantial independence in exercising power over money creation is not something that Federal Reserve officials have arrogated unto themselves, nor is it something that others have conferred because of a belief that central bankers have unique insight that sets them apart from other people. Rather, the ability of the Federal Reserve to act with some independence from the Executive Branch, and also with immunity from transient Congressional pressures, was deliberately established and has been deliberately maintained by the Congress in the interest of protecting the integrity of our money.

In leaving the chairmanship of the Federal Reserve Board, I am especially pleased that President Carter has unequivocally assured the American people of his own conviction that an independent Federal Reserve serves our national interest. On that happy note, ladies and gentlemen, I will now end and turn to your questions.

\* \* \* \* \*

THE WHITE HOUSE  
WASHINGTON

780200

Date: January 16, 1978

MEMORANDUM

FOR ACTION:

Stu Eizenstat  
Bob Lipshutz

*nc by phone*  
*concur*

FOR INFORMATION:

The Vice President  
Frank Moore (Les Francis)  
Jody Powell  
Jim McIntyre

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: A.G. memo dated 1/16 re Supreme Court's Refusal to  
Review Two Cases Involving Legislative Veto Issue

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 12:00 Noon

DAY: Wednesday

DATE: January 18, 1978

*mtg w/ DOS -*  
*more complicated*  
*than appears*

ACTION REQUESTED:

☒ Your comments  
Other: \_\_\_\_\_

STAFF RESPONSE:

\_\_\_\_\_ I concur. \_\_\_\_\_ No comment.  
Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE  
WASHINGTON

<input checked="" type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input type="checkbox"/>	FROM PRESIDENT'S OUTBOX
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<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER
Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day	

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<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN

THE WHITE HOUSE  
WASHINGTON

Veto Memo -

Will Justice support Supreme Court  
consideration of CHADHA after the  
9th Circuit acts? Is that to be the  
test case?

*None*



Office of the Attorney General  
Washington, D. C. 20530

JAN 16 1978

MEMORANDUM FOR THE PRESIDENT


Re: Supreme Court's Refusal to Review Two Cases  
Involving Legislative Veto Issue

On January 9, 1978, the Supreme Court announced that it would not review decisions by the Court of Claims and the Fourth Circuit Court of Appeals in cases that raised the constitutionality of the legislative veto device. Because The Washington Post on January 10, 1978 carried a front-page story incorrectly suggesting that the Supreme Court had, in effect, sustained the validity of the legislative veto device involved in those cases, we thought we would briefly clarify the situation for you.

The two cases involved here, Atkins v. United States and McCorkle v. United States were discussed at some length in the Office of Legal Counsel's memorandum regarding the Administration's "Policy Regarding Legislative Veto Provisions" of August 11, 1977, which I transmitted to you by memorandum of that same date. In that memorandum OLC suggested that the Solicitor General, consistent with the Department's prior position in those cases, would most probably suggest to the Supreme Court that it not accept those cases for review. Most simply put, it had been the position of the Department of Justice that: (1) none of the parties to those cases had been legally injured by the legislative veto device involved; and (2), because of the lack of injury, the Court had no occasion to decide the validity of the legislative veto device.

The Solicitor General did in fact oppose the Supreme Court's hearing the two cases in memoranda filed with the Court subsequent to OLC's August 11 memorandum. The Supreme Court's action on January 9 is therefore consistent with the position taken by the Department of Justice. We would emphasize that the refusal of the Supreme Court to review a case in such circumstances is of absolutely no precedential value and may not be read as vindicating the position of any party to the case on any of the issues involved in the case. The Washington Post article is both inaccurate and misleading. The Supreme Court in declining to review those cases indicated no view whatsoever on the question of the constitutionality of the legislative veto.

We would add that the Supreme Court's actions on January 9 leave only one case, Chadha v. United States (also discussed in the August 11 memorandum), presently pending in the U.S. Court of Appeals for the Ninth Circuit, directly involving a challenge to a legislative veto device. The Department has already filed its brief in that case arguing that the legislative veto device permitting a single house of Congress to veto a decision by the Attorney General to suspend deportation of an alien is unconstitutional. However, a decision by the Court of Appeals is not expected before summer.



Griffin B. Bell  
Attorney General

Date: January 16, 1978

MEMORANDUM

## FOR ACTION:

Stu Eizenstat

Bob Lipshutz

## FOR INFORMATION:

The Vice President

Frank Moore (Les Francis)

Jody Powell

Jim McIntyre

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: A.G. memo dated 1/16 re Supreme Court's Refusal to  
Review Two Cases Involving Legislative Veto IssueYOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 12:00 Noon

DAY: Wednesday

DATE: January 18, 1978

## ACTION REQUESTED:

☒ Your comments

Other:

## STAFF RESPONSE:

☒ I concur.☐ No comment.

Please note other comments below:



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required





STATE OF OKLAHOMA  
OFFICE OF THE GOVERNOR  
OKLAHOMA CITY

DAVID L. BOREN  
GOVERNOR

January 31, 1978

The President  
The White House  
Washington, D.C. 20500

Mr. President:

I appreciate the opportunity to present information to you briefly in regard to the serious problems being faced by ranchers in the United States. My remarks will fall into three categories: first, the nature of the problem, second, present powers of the President in dealing with the problem and third, suggested policies.

I The Nature of The Problem.

1. For the past three years cow slaughter has averaged approximately 10 million head per year. Ranchers are working hard to reduce the supply of cattle.

2. For four years in a row most ranchers have lost money. Many are at the end of their ability to refinance. 3200 farmers and ranchers in Oklahoma alone could not refinance this year.

3. The nature of the slump can be demonstrated dramatically by the following brief table taken from the U.S. figures.

	Per head average value of cattle & calves in Okla.	Price of Round Steak
1973	\$230	\$1.54
1974	\$290	\$1.49
1975	\$130	\$1.53
1976	\$160	\$1.52
1977	\$170	Not available

As you can see, while consumer prices remained constant, prices to ranchers have been drastically reduced. There has been a slow recovery but the 1978 price is still well below the 1973 price even though the ranchers cost of operating has gone up 40-50% during the 5 year period because of inflation.

President Carter  
January 31, 1978  
Page Two

4. Of all the beef in world trade, 40% is imported into the U.S. we export only 2/10 of 1% of our domestic beef output. According to studies conducted at Oklahoma State University, imported beef probably depresses domestic cattle prices in the area of 15%.

## II Powers of the President to deal with the situation.

1. The President may not halt all imports except in case of national emergency but under the 1964 Meat Import Law he may limit the amount of red meat imports to 725 million pounds adjusted by the percentage of increase or decrease estimated in domestic production. The quota is now being utilized.

2. The President can suspend the quotas as was done by President Nixon in 1972 or increase the total quantity of meat which maybe imported. Of course the present administration has wisely not taken either of these steps.

3. The President could suggest changes in the law to further strengthen his power to reduce imports and could undertake new initiatives in trade negotiations to increase our exports.

## III Suggested Policies.

1. At the minimum the President should give public assurance that he will neither suspend the present quotas or increase the allowable quantity of imports. While the cattle market is showing some improvement, it is still far below 1973 considering the inflation of ranch costs which have occurred since then. Ranchers need a significant period of improvement to repay loans and recoup the tremendous losses of the past four years.

2. The present law should be amended to include quotas on all imported beef and veal, not just frozen, fresh or chilled. Canned meat, for example, should also be included. The President should be empowered to halt all meat imports when conditions warrant it.

3. The import quota should be tied not only to U.S. production but to economic conditions and cycles as well, taking into account price fluctuations and net income on sales.

4. There should be a quarterly rather than an annual import quota determination in order to prevent disproportionate imports and market disruptions within a short period.

President Carter  
January 31, 1978  
Page Three

5. Present inspection of foreign meat is only on a random basis. We should insist that all imported meat meet U.S. standards and be sampled and monitored.

6. Consumers are entitled to know whether a product is imported or not. A labeling requirement should be imposed on all foreign imported meat.

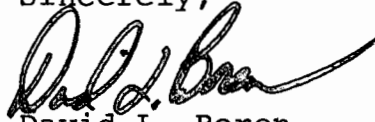
7. U.S. negotiators should insist that the European Community accept our "Rule 5" proposal. That is, they should permit the U.S. to export to them the equivalent of 5% (High quality grain feed beef) of their 'domestic' production. Strong negotiation for further sales to Japan should also be undertaken to help balance our trade with them.

8. We should enter into bi-lateral negotiations with Mexico and Canada to make more regular and less erratic the movement of cattle from those countries. Movement often comes in bunches, increasing the damaging effect on domestic markets.

9. There should be an absolute assurance by the President that there will be no freeze on meat prices to the producer as was imposed in 1973.

I respectfully present these suggestions for your consideration.

Sincerely,

A handwritten signature in dark ink, appearing to read "D. L. Boren", with a long, sweeping horizontal stroke extending to the right.

David L. Boren  
Governor

THE WHITE HOUSE  
WASHINGTON  
January 31, 1978

Frank Moore

The attached was returned in  
the President's outbox. It is  
forwarded to you for your  
information.

Rick Hatcheson

cc; Hamilton Jordan

RE: DURKIN AND LEAHY ANNOUNCEMENT  
OF SUPPORT - PANAMA

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE  
WASHINGTON

January 31, 1978

MEMORANDUM TO THE PRESIDENT

FROM: FRANK MOORE *FM*  
BOB THOMSON *TSB*

SUBJECT: PANAMA SUPPORT

Senator Durkin will announce support for the Treaties at 9:00 a.m. tomorrow. Senator Leahy will call you this afternoon with the news that he will announce support for the Treaties tomorrow.

*good  
J*

2:45 PM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

January 30, 1978

BRIEFING ON THE PANAMA CANAL TREATIES FOR LEADERS OF RELIGIOUS  
ORGANIZATIONS

Tuesday, January 31, 1978

2:45 P.M. (15 minutes)

The State Dining Room

From: Hamilton Jordan *H.J.*

I. PURPOSE

To inform them fully on the details of the Treaties and to answer whatever concerns they may have.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

- A. Background: Many of the religious groups have already endorsed the Treaties and are working to support you. Not all in attendance have endorsed, however, and none have had the privilege of the full briefing. List of endorsements is attached.
- B. Participants: Executives of the organizations, preachers and rabbis, and religious publication editors. The attendees list is attached.
- C. Press Plan: No press coverage.

III TALKING POINTS

The interest of these guests in the Treaties stems from their concern that U.S. foreign policy be moral, fair and reflect our respect for the human dignity and rights of others.

attachments:

- agenda
- list of attendees
- list of endorsements from religious organizations

X



## AGENDA

Tuesday, January 31, 1978

1:30 P.M.	Welcome	Ambler Moss Deputy Assistant Secretary of State
1:35 P.M.	Description of the Treaties	Ambassador Ellsworth Bunker
2:05 P.M.	Break	
2:25 P.M.	The Treaties in the Context of American Foreign Policy	Dr. Zbigniew Brzezinski Assistant to the President for National Security Affairs
2:45 P.M.	Remarks	The President



ATTENDEES

EXPECTED ATTENDEES AT THE PANAMA CANAL TREATIES  
BRIEFING - January 31, 1978

Dr. Billy A. Melvin, Executive Director, National Association of Evangelicals (Wheaton, Illinois)

Alan Geyer, Executive Director, Churches Center for Theology and Public Policy (Washington, D. C.)

Philip Jenks, Editor, American Baptist (Valley Forge, Pennsylvania)

Dr. James L. Merrell, Editor, The Disciple (St. Louis, Missouri)

Spurgeon M. Dunnam, III, Editor, The Texas Methodist/United Methodist Reporter (Dallas, Texas)

Henry L. McCorkle, Editor, The Episcopalian (Philadelphia, Pennsylvania)

P. J. Gazaouleas, Editor, Orthodox Observer (New York, New York)

Joyce Hamlin, Secretary for Legislative Affairs, Women's Division, Board of Global Ministries, United Methodist Church (Washington, D. C.)

Floyd Robertson, National Association of Evangelicals (Office of Public Affairs) (Washington, D. C.)

Gretchen Eick, Director, Washington Office, United Church of Christ (Washington, D. C.)

Ruby Rhoades, Director, Washington Office, Church of the Brethren (Washington, D. C.)

Reverend Merle Crouse, Church of the Brethren (St. Cloud, Florida)

Dr. Victor Mercado, American Baptist Home Mission Society (Valley Forge, Pennsylvania)

Ben Gutierrez, United Presbyterian (New York, New York)

Nora Boots, United Methodist Church (New York, New York)

Reverend Frank Arnold, Presbyterian Church, U. S. (Atlanta, Georgia)

Vincent W. DeCoursey, Executive Director, Kansas Catholic Conference (Kansas City, Kansas)

Expected Attendees (continued)

Reverend Raymond Hill, M. M., Superior General, Maryknoll Fathers  
(Maryknoll, New York)

Monsignor Larry Corcoran, National Conference of Catholic Charities  
(Washington, D. C.)

Monsignor Thomas J. Reese, Department of Social Concerns  
(Wilmington, Delaware)

Paul Sedillo, Secretariat for Hispanic Affairs-USCC (Washington, D. C.)

Reverend Anthony Bellagamba, U. S. Catholic Mission Council  
(Washington, D. C.)

Reverend Joseph Fiorenza (Houston, Texas)

Thomas A. Horkan, Executive Director, Florida Catholic Conference  
(Tallahassee, Florida)

Raymond Rufo, Executive Director, Indiana Catholic Conference  
(Indianapolis, Indiana)

Cheatham E. Hodges, Jr., Executive Secretary, Georgia Catholic  
Conference (Augusta, Georgia)

Peggy Keilholz, Executive Director, Missouri Catholic Conference  
(Jefferson City, Missouri)

Howard Fetterhoff, Executive Director, Pennsylvania Catholic Conference  
(Harrisburg, Pennsylvania)

Bishop H. Thomas Primm, Senior Bishop of Bishop's Council  
(Nashville, Tennessee)

Right Reverend John T. Walker, Bishop of Washington, D. C.  
(Washington, D. C.)

Reverend Ernie Gibson, Executive Director of the Council of Churches  
(Washington, D. C.)

Reverend Theodore S. Ledbetter, Senior Minister, Plymouth  
Congregational United Church of Christ (Washington, D. C.)

Reverend Benjamin E. Lewis, Lincoln Temple United Church of Christ  
(Washington, D. C.)

Expected Attendees (continued)

Bishop Henry Murph , Chairman, General Board of A. M. E. Church  
(Washington, D. C.)

Reverend Herbert Skeete, Salem United Methodist Church (New York,  
New York)

Reverend Charles Helton (Washington, D. C.)

Reverend Robert Pruitt (Washington, D. C.)

Bishop Smallwood E. Williams, McKendree United Methodist Church  
(Washington, D. C.)

Reverend Frank Williams, Pastor, Asbury Methodist Church (Washington,  
D. C.)

Reverend Levi Miller (Washington, D. C.)

Monsignor John P. Foley, The Catholic Standard (Philadelphia,  
Pennsylvania)

Reverend Arthur McNally, C. P., Sign (Union City, New Jersey)

Richard Dow, NC News - USCC (Washington, D. C.)

Reverend Owen F. Campion, Tennessee Register (Nashville, Tennessee)

Rabbi Amiel Wohl, Temple Israel (New Rochelle, New York)

Rabbi David Hill (Flushing, New York)

Rabbi Judah Nadich, Park Avenue Synagogue (New York, New York)

Rabbi Ira Youdovin, Union of American Hebrew Congregation (New York,  
New York)

Rabbi Joseph Krasick (New York, New York)

Reverend Casimir Pugevicius, Director, Lithuanian Catholic Service  
(Brooklyn, New York)

Edgar Trexler, The Lutheran (Philadelphia, Pennsylvania)

Expected Attendees (continued)

Jimmy Allen, President, Southern Baptist Convention

Wes Michelson

Robert S. Denny, General Secretary, Baptist World Alliance

Marjorie Keenan, Leadership Conference of Women Religious

Jeffrey Utter, United Church of Christ (New York, New York)

Roy Lord, Publisher, A. D. Magazine

Ronald Pasquariello, U. S. Catholic Conference

Robert Reynolds, Congressional Liaison, Seventh Day Adventists  
General Conference

Phil Strickland, Associate, Christian Life Commission of the Baptist  
General Convention of Texas

Mary Ann Schwab, National Council of Catholic Women

Joseph E. Taylor

Jim Wall, Editor, Christian Century

Margaret Wilde, Director, Washington Office, Disciples of Christ

Dr. Foy Valentine, Executive Secretary Treasurer, Christian Life  
Commission, Southern Baptist Convention

The Honorable Walter Fauntroy, U. S. Congressman



Endorsements of Panama Canal Treaties by Religious Organizations

Council of Bishops  
Board of Global Ministries  
The United Methodist Church

American Jewish Congress

Church of the Brethren

American Jewish Committee

National Council of Churches

Presbyterian Church in the United States

B'nai B'rith

Board of Directors, Texas Conference of Churches

Board of Directors, Indiana Council of Churches

THE WHITE HOUSE  
WASHINGTON

January 31, 1978

Stu Eizenstat  
Jim McIntyre

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

cc: The Vice President  
Hamilton Jordan  
Jack Watson

RE: URBAN POLICY



THE WHITE HOUSE  
WASHINGTON

	FOR STAFFING
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	LOG IN/TO PRESIDENT TODAY
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ACTION	FYI	
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		LIPSHUTZ
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		POWELL
		WATSON
/		McINTYRE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE  
WASHINGTON

1-31-78

To Pat Harris  
Jim Mc Intyre  
Steve Eizenstat

You three get together  
& be sure the urban  
policy principles are de-  
fined clearly. I do not  
want the interest groups  
writing the report. See  
me if you cannot re-  
solve differences.

Jimmy C.

482

THE WHITE HOUSE  
WASHINGTON

January 31, 1978

Bob Lipshutz

The attached was returned in the President's outbox today and is forwarded to you for your information. The signed original has been given to Bob Linder for appropriate handling.

Rick Hutcheson

cc: Bob Linder

RE: MINETTI EXTENSION - CAB

THE WHITE HOUSE  
WASHINGTON

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Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day	

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<input type="checkbox"/>	WARREN

THE WHITE HOUSE

WASHINGTON

January 30, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT LIPSHUTZ *RJL*  
RE: Proposed Executive Order Entitled  
"Exemption of G. Joseph Minetti  
from Mandatory Retirement"

In accordance with your decision of this weekend, the attached Executive Order exempts CAB member, Joseph Minetti, from mandatory retirement until May 1, 1978.

This Order must be signed no later than Tuesday, January 31.

EXECUTIVE ORDER

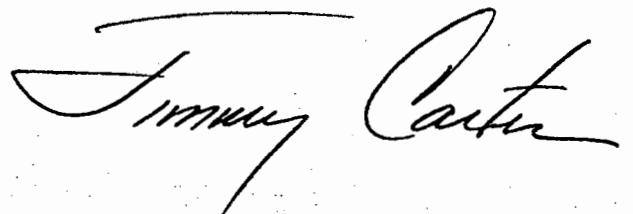
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EXEMPTION OF G. JOSEPH MINETTI  
FROM MANDATORY RETIREMENT

G. Joseph Minetti, Member, Civil Aeronautics Board, became subject to mandatory retirement for age on July 31, 1977, under the provisions of Section 8335 of Title 5 of the United States Code unless exempted by Executive Order. Mr. Minetti was exempted from mandatory retirement until September 30, 1977, by Executive Order No. 12006 of July 29, 1977, until October 31, 1977, by Executive Order No. 12011 of September 30, 1977, and until January 31, 1978, by Executive Order No. 12016 of October 31, 1977.

In my judgment, the public interest requires that G. Joseph Minetti continue to be exempted from such mandatory retirement.

NOW, THEREFORE, by virtue of the authority vested in me by subsection (c) of Section 8335 of Title 5 of the United States Code, I hereby exempt G. Joseph Minetti from mandatory retirement until May 1, 1978.

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned in the lower right quadrant of the page.

THE WHITE HOUSE,

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

January 30, 1978

MEETING WITH SENATOR JOSEPH BIDEN

Tuesday, January 31, 1978

9:00 a.m. (10 minutes)

The Oval Office

From: Frank Moore *F.M/p*

I. PURPOSE

To discuss political matters he feels are of mutual concern.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: Senator Biden has requested a meeting with you to discuss political information he has gathered from numerous speaking trips he has made around the country.

B. Participants: The President  
Senator Biden  
Frank Moore  
Bob Thomson

C. Press Plan: White House Photo Only.

III. TALKING POINTS

1. You should ask the Senator how he sees Senator Roth's vote on the Panama Canal Treaties. Roth has been an enigma to us from the beginning, although Senator Baker is probably counting on his support. Senator Biden is on the Foreign Relations Committee, so he has been following this more closely than some.
2. The Senator is also on the Budget Committee. You might ask him his reaction to the Budget Message and ask his support in holding the line on spending.
3. The Senator will probably offer you political advice gleaned from his trips around the country. That appears to be the reason he was so insistent this meeting be held.

4. Senator Biden may bring up the fact that he has requested you to attend a fundraiser sometime prior to your New England trip. Scheduling is aware of this request and we are awaiting their decision.



THE WHITE HOUSE  
WASHINGTON

January 31, 1978

Hamilton Jordan

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

CC: Jim Gammill

BLUMENTHAL RECOMMENDATION OF  
DONALD C. LUBICK AS ASSISTANT  
SECRETARY FOR TAX POLICY,  
TREASURY DEPT.

THE WHITE HOUSE  
WASHINGTON

	FOR STAFFING
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/	FROM PRESIDENT'S OUTBOX
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	IMMEDIATE TURNAROUND

ACTION  
FYI

	MONDALE
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	EIZENSTAT
/	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	McINTYRE
	SCHULTZE

	ENROLLED BILL
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	CAB DECISION
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	JAGODA
/	GAMMILL

	KRAFT
	LINDER
	MITCHELL
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	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE  
WASHINGTON

January 30, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: HAMILTON JORDAN *HJ*

SUBJECT: BLUMENTHAL RECOMMENDATION OF  
DONALD C. LUBICK AS ASSISTANT  
SECRETARY FOR TAX POLICY, TREASURY DEPT.

Mike Blumenthal in the attached memorandum recommends you nominate Donald Lubick to take Larry Woodworth's position of Assistant Secretary for Tax Policy. Lubick is presently acting in that capacity and has been since Larry's death.

From all reports Lubick has done a good job and he is acceptable to Ullman and Long. I checked this with Jim McIntyre, Charlie Schultze, and Bob Strauss, and all recommend you approve this appointment.

APPROVE LUBICK: ✓

DISAPPROVE LUBICK:           

*JC*



THE SECRETARY OF THE TREASURY

WASHINGTON 20220

January 26, 1978

MEMORANDUM FOR THE PRESIDENT

Subject: Nomination of Assistant Secretary  
of the Treasury (Tax Policy)

Now that your tax message has gone to the Congress, I recommend that you nominate Donald C. Lubick to be Assistant Secretary of the Treasury for Tax Policy. He was Larry Woodworth's first choice as deputy and together with Larry has put together an outstanding team here at the Treasury. I think it is important to the success of your Administration in this field that the tax policy team remain intact and to a man they support the elevation of Don Lubick.

I have discussed his qualifications with leading members of the tax bar and of the American Bar Association's tax section, former Commissioners of Internal Revenue and former occupants of the position of Assistant Secretary (Tax Policy). They all give him high marks and support his nomination.

Both Chairmen Ullman and Long support his nomination, and he has good relationships on the Hill, particularly with the staff of the Joint Committee on Taxation. In the last somewhat hectic months, I have found him extremely competent and reliable to work with and therefore recommend his nomination.

I have attached a copy of the press release issued when Mr. Lubick was appointed as the Deputy Assistant Secretary. It contains a summary of his career.

W. Michael Blumenthal

Attachment

Approve: \_\_\_\_\_

Disapprove: \_\_\_\_\_

May 23, 1977

DONALD C. LUBICK APPOINTED  
DEPUTY ASSISTANT SECRETARY FOR TAX POLICY

Secretary of the Treasury W. Michael Blumenthal today announced the appointment of Donald C. Lubick of Buffalo, New York, as Deputy Assistant Secretary of the Treasury for Tax Policy.

Mr. Lubick, 51, replaces William M. Goldstein, who has resigned to enter the private practice of law.

Mr. Lubick serves as deputy to Assistant Secretary Laurence N. Woodworth, who has principal responsibility for formulation and execution of United States domestic and international tax policies.

Prior to joining the Treasury Department, Mr. Lubick was a partner with the Buffalo law firm of Hodgson, Russ, Andrews, Woods & Goodyear, with which firm he has been associated since 1950. From 1961-64, Mr. Lubick was Tax Legislative Counsel of the Treasury Department. He also has been a member of the faculty of the University of Buffalo Law School on a part-time basis, teaching courses in a variety of fields including Federal income taxation.

Mr. Lubick graduated magna cum laude from Harvard University receiving the J.D. degree in 1949, and also graduated summa cum laude from the University of Buffalo receiving the B.A. degree in 1945.

Mr. Lubick has published articles and has been a frequent lecturer and teacher in the field of Federal taxation. He has participated in the work of various bar associations, especially the New York State Bar Association Section on Taxation, and in 1959 he was Chairman of the Tax Revision Committee of the City of Buffalo.

Born in Buffalo, New York on April 29, 1926, Mr. Lubick is married to the former Susan Cohen of Buffalo. They have three children, and will reside in Chevy Chase, Maryland.

ID 780410

T H E   W H I T E   H O U S E

WASHINGTON

DATE:            26 JAN 78

FOR ACTION: HAMILTON JORDAN

JIM GAMMILL

*1/30 closing up  
Strauss - Schatz*

INFO ONLY:

SUBJECT:        BLUMENTHAL MEMO RE NOMINATION OF ASSISTANT SECRETARY OF  
                 TREASURY --TAX POLICY -- DONALD C. LUBICK

+++++  
+    RESPONSE DUE TO RICK HUTCHESON    STAFF SECRETARY (456-7052)    +  
+            BY:    1200 PM SATURDAY    28 JAN 78                            +  
+++++

ACTION REQUESTED:    YOUR COMMENTS

STAFF RESPONSE: ( ) I CONCUR.    ( ) NO COMMENT.    ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE  
WASHINGTON

/	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION  
FYI

	MONDALE
	COSTANZA
	EIZENSTAT
/	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	McINTYRE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to  
Carp/Huron within  
48 hours; due to  
Staff Secretary  
next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
/	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

WASHINGTON

DATE: 26 JAN 78

FOR ACTION: HAMILTON JORDAN

JIM GAMMILL

INFO ONLY:

SUBJECT: BLUMENTHAL MEMO RE NOMINATION OF ASSISTANT SECRETARY OF  
TREASURY --TAX POLICY -- DONALD C. LUBICK

+++++  
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +  
+ BY: 1200 PM SATURDAY 28 JAN 78 +  
+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

Schultz: actual worked with him, cooperative, intelligent - by  
reason why he should not be moved to job.  
McDermott: no objection  
Stevens: acceptable to him. recommend.



THE WHITE HOUSE  
WASHINGTON

Jan. 31, 1978

Bob Lipshutz

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

WHITE HOUSE STAFF GIFT AND  
TRAVEL POLICY

THE WHITE HOUSE  
WASHINGTON

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/	FROM PRESIDENT'S OUTBOX
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	MONDALE
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	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE  
WASHINGTON

January 30, 1978

*Bob -  
What are  
the changes?  
J*

MEMORANDUM FOR THE PRESIDENT

FROM: Bob Lipshutz *RL*  
SUBJECT: White House Staff Gift and Travel Policy

Based upon our first year's experience, we have slightly refined the basic policy as set out in the attached memorandum.

I recommend that you approve this for distribution to the staff.

I have circulated it among the senior staff and have received no objections.

\_\_\_\_ Approve

\_\_\_\_ Disapprove

THE WHITE HOUSE

WASHINGTON

January 26, 1978

MEMORANDUM FOR THE WHITE HOUSE STAFF

FROM: ROBERT LIPSHUTZ

SUBJECT: Gift and Travel Policy

Consistent with the high standards of conduct adopted by the President and Cabinet, the White House Staff shall adhere to the following regulations. The general rule is to avoid a conflict of interest or the appearance thereof.

I. Gifts. No gifts shall be accepted by White House Staff personnel or their immediate families except -

1. Gifts from personal friends or relatives, and only if the circumstances make it clear that the family or personal relationship involved is the motivating factor and there is no conflict or appearance of a conflict.

2. Items having some sentimental value, such as photographs, religious items, books, hand-crafted items, and similar mementos, ~~or items~~ *if these items have* having a small monetary value (less than \$20).

Any gift to a White House Staff member's supervisor from a White House Staff subordinate is prohibited.

II. Entertainment. White House Staff members and their immediate families are prohibited from accepting entertainment, except -

1. Invitations to social affairs in which a group is being entertained, and
2. Private entertainment in the home of a host or hostess, and

3. Meals and tickets to events, in which cost per person does not exceed \$30.

*too high-  
what was it  
before?*

III. Travel. White House Staff members shall not accept travel, lodging or meals or reimbursement thereof -

1. When on official business representing the White House, except from -

A non-profit, federal tax exempt, organization under Section 501(c)(3) of the IRS Code (e.g., Urban League, American University). (Officials of organization in question will know whether it has 501(c)(3) status.)

2. When not traveling on official business, except from -

Political organizations, DNC or local Democratic group.

Spouses accompanying a White House Staff member are allowed to accept reimbursement for travel or lodging only if they participate in the event.

IV. Honoraria. No honoraria, in cash or kind, may be accepted, nor may an individual designate a certain charity as the recipient of honoraria.

If you have specific questions concerning these guidelines, or if a particular hardship occurs because of them, your questions should be submitted to the White House Counsel's office.

436

THE WHITE HOUSE  
WASHINGTON

January 31, 1978

Zbib Brzezinski

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Please notify Sec. Brown.

Rick Hutcheson

APPROVAL OF THE CRUISE MISSILE  
PROGRAM AS A PROGRAM OF HIGHEST  
NATIONAL PRIORITY  
CC: Jim McIntyre

THE WHITE HOUSE  
WASHINGTON

1/30/78

Mr. President:

McIntyre and Brzezinski concur.

Rick

THE SECRETARY OF DEFENSE  
WASHINGTON, D. C. 20301

26 JAN 1978

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Approval of the Cruise Missile Program as a Program of Highest National Priority

PURPOSE

This is to request that you approve the Cruise Missile Program as a program of highest national priority.

BACKGROUND

In order to meet the required Initial Operational Capability date for the Air Launched Cruise Missile (ALCM), top priority for industrial resources is essential. Your approval will allow assignment of a BRICK-BAT DX industrial priority rating to our contracts with industry. It will assure that materials, components and other resources will be applied to the Cruise Missile program first in the event of conflict with commercial or lesser important Defense contracts.

1. Production Leadtimes - Industrial experience during FY 76-77 has shown that leadtimes for many materials and components, particularly aluminum ingots and electronic parts, are lengthy. Failure to apply a blanket BRICK-BAT rating to the program will make it necessary to resolve individual resource bottlenecks and conflicts on a slower and more costly case-by-case interagency basis.

2. Relationship to Sea and Ground Launched Cruise Missiles (SLCM and GLCM) - Because many of the component parts of the ALCM, SLCM and GLCM are manufactured by the same Defense contractors, it would be more cost-effective and efficient to apply equal priority in industry for these systems at this stage in their development.

3. Other BRICK-BAT Programs - Programs have received this assignment in the past, generally because of key political, scientific, psychological or military objectives. Nine programs are presently in the BRICK-BAT category. Included are systems such as the M60 Tank, TRIDENT, MINUTEMAN and the Ballistic Missile Defense Advanced Technology Program.



4. Adverse Reaction/Impact - We do not anticipate any adverse reaction from special interest groups. Impact on industry will be minimal providing the DX industrial priority rating is assigned early in the acquisition cycle.

5. DX Usage Limitation - The program is estimated to cost \$999.65 million through FY 78. Of the total cost, approximately \$130 million is estimated to be for critical components and materials which will be benefited by assignment of the DX industrial priority rating.

I recommend that you approve the Cruise Missile Program as a program of highest national priority. The enclosure contains the text of a suggested reply.

*Harold Brown*

Enclosure

Approved:

*Jimmy Carter*

SUGGESTED TEXT OF REPLY

SUBJECT: Assignment of Highest National Priority to the Cruise  
Missile Program

In response to your recommendation, the President, under the authority

granted by the Defense Production Act of 1950, today established the

following as a program of highest national priority:

Cruise Missile Program

ID 780436

T H E   W H I T E   H O U S E

WASHINGTON

DATE:            27 JAN 78

FOR ACTION: ZBIG BRZEZINSKI



INFO ONLY:    THE VICE PRESIDENT

STU EIZENSTAT

FRANK MOORE (LES FRANCIS)

JIM MCINTYRE *concur, by phone*

LANDON BUTLER *nc*

SUBJECT:        BROWN MEMO RE APPROVAL OF THE CRUISE MISSILE PROGRAM AS A  
PROGRAM OF HIGHEST NATIONAL PRIORITY

+++++  
+    RESPONSE DUE TO RICK HUTCHESON    STAFF SECRETARY (456-7052)    +  
+            BY:    1200 PM MONDAY            30 JAN 78            +  
+++++

ACTION REQUESTED:    YOUR COMMENTS

STAFF RESPONSE: ( ) I CONCUR.    ( ) NO COMMENT.    ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE  
WASHINGTON

/	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
	/	MONDALE
		COSTANZA
	/	EIZENSTAT
		JORDAN
		LIPSHUTZ
	/	MOORE
		POWELL
		WATSON
	/	McINTYRE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
/	BRZEZINSKI
/	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE  
WASHINGTON

1/27/78

TO. Rich Hutcherson

For Your Information: \_\_\_\_\_

For Appropriate Handling: ✓

RD  
Robert D. Linder

THE WHITE HOUSE  
WASHINGTON

January 27, 1978

TO: BOB LINDER

FROM: MARTY BEAMAN *MB*

WASHINGTON

DATE: 27 JAN 78

FOR ACTION: ZBIG BRZEZINSKI

INFO ONLY: THE VICE PRESIDENT                      STU EIZENSTAT  
FRANK MOORE (LES FRANCIS)                      JIM MCINTYRE  
LANDON BUTLER

SUBJECT: BROWN MEMO RE APPROVAL OF THE CRUISE MISSILE PROGRAM AS A  
PROGRAM OF HIGHEST NATIONAL PRIORITY

+++++  
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +  
+ BY: 1200 PM MONDAY 30 JAN 78 +  
+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: ( ) I CONCUR. ☒ NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

MEMORANDUM

NATIONAL SECURITY COUNCIL

January 30, 1978

MEMORANDUM FOR: RICK HUTCHESON

FROM: CHRISTINE DODSON *Christie*

SUBJECT: NSC Comments on DOD Memo Re Approval  
of Cruise Missile Program as a Program  
of Highest National Priority

The NSC concurs. It might be useful to separate SLCM and GLCM from the priority for political reasons -- we have not decided that we want GLCM for Europe; but this appears infeasible because the weapons are common. The ALCM deserves high priority.



Midwest Governors

1/31/78

THE WHITE HOUSE  
WASHINGTON

Judge = Int Com Agr -  
Wheat - Exp 52% grain = Now  
"giving" wheat away  
Kneipp Set aside

Bennett Farm credit - young  
Boren Red meat imports  
land prices ↓ in Okla.

Exon

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

January 31, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER *AK*  
SUBJECT: Annual Mail Report

Below are statistics on Presidential and First Lady mail for the year of 1977:

<u>INCOMING</u>	<u>TOTAL</u>	<u>AVERAGE/WEEK</u>
Presidential	2,528,409	51,600
First Lady	128,928	2,998
Amy	45,692	1,063
Other First Family	5,520	128
<u>White House Staff</u>	<u>975,514</u>	<u>22,686</u>
TOTAL	3,684,063	75,185

DISTRIBUTION OF PRESIDENTIAL MAIL ANALYZED

Agency Referral	47%
WH Correspondence	25%
Direct File	14%
White House Staff	8%
<u>Other</u>	<u>6%</u>
TOTAL	100%

NOT INCLUDED ABOVE

Post Cards and Form Letters	840,938	17,162
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GRAND TOTAL	4,525,001	92,347
-------------	-----------	--------

TOP 12 ISSUES IN  
PRESIDENTIAL ADULT MAIL  
April 15, 1977 through December 30, 1977

ISSUES	PRO	CON	COMMENT ONLY	TOTAL LETTERS
Support for Palestine Liberation Organization Representation at Peace Talks and Israel Returning Land Won in '67 War	7%	92%	1%	41,499
Support for President's Decision Re: B-1 Bomber	86%	14%	0	30,387
Support for Administration's Energy Act, Including Continued Regulation of Natural Gas	42%	41%	17%	23,628
Support for the Panama Canal Treaties	11%	88%	1%	19,855
Support for Tougher Restrictions on Steel Imports	97%	3%	0	19,271
Support for Bert Lance	28%	72%	0	19,184
Support for Tuition Relief Tax Credits	98%	2%	0	13,060
Support for U.S. Aid to Alleviate World Hunger	99%	0	1%	9,590
Support for Andrew Young	6%	94%	0	8,197
Support for the Neutron Bomb	2%	98%	0	7,025
Support for IWY Conference and Extension of Deadline for State Action on ERA	6%	74%	0	6,465
Support for Returning the Crown of St. Stephen to Hungary	4%	96%	0	5,359
TOTAL				203,520

THE WHITE HOUSE  
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION  
FYI

2B - pls notify Sec.  
Brown

	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
/	McINTYRE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to  
Carp/Huron within  
48 hours; due to  
Staff Secretary  
next day

	ARAGON
	BOURNE
/	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

# 470

THE WHITE HOUSE  
WASHINGTON

January 31, 1978

The Vice President

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

TIMING OF VISIT TO PACIFIC

CONFIDENTIAL

THE WHITE HOUSE  
WASHINGTON

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✓	FROM PRESIDENT'S OUTBOX
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	IMMEDIATE TURNAROUND

ACTION
FYI

	MONDALE
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	GAMMILL

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	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN



~~CONFIDENTIAL~~

THE VICE PRESIDENT  
WASHINGTON

January 30, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: The Vice President *uf*  
SUBJECT: Timing of Visit to Pacific

On December 20, 1977 you approved my making a working visit to the Philippines, Indonesia, Thailand, Australia and New Zealand, with the understanding that I would forward a recommendation as to timing as soon as we had a better picture of the calendar for 1978.

Taking into account your schedule, that of the Senate, and anticipated events in the countries to be visited, I believe it would be best if I were to time the Pacific trip for April 1978, departing on approximately April 7 for a trip of nine to ten days. With your approval, I will ask Cy to have the State Department explore this timing with the host governments.

APPROVE ✓

OTHER \_\_\_\_\_

*Check on timing of  
Congress action on  
Mid East weapon sales*

~~CONFIDENTIAL~~

*J*

DECLASSIFIED  
E.O. 12356, SEC. 3.4(b)  
WHITE HOUSE GUIDELINES, FEB. 24, 1983  
BY *[Signature]* NARS, DATE *4/14/90*

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE  
WASHINGTON

January 31, 1978

C  
/

MEMORANDUM FOR: THE PRESIDENT  
FROM: STU EIZENSTAT *Stu*  
SUBJECT: Boycott Regulations

Attached is an article on the Arab boycott regulations that you might not have seen. Its tenor is that the Administration was successful in balancing the concerns of the Jewish and business groups, thereby defusing an emotional issue.

cc: The Vice President



THE WHITE HOUSE

WASHINGTON

## Rules to Enforce Arab Boycott Laws Win Endorsement

By AGIS SALPUKAS

The new regulations to enforce the American law against the Arab boycott have won general endorsement from leaders of business and Jewish groups, following a year-long effort to resolve the volatile issue.

Irving S. Shapiro, the chairman of E. I. du Pont de Nemours & Company and head of the Business Roundtable, a major business lobby group, said that the general reaction from top business leaders has been: "I can live with it."

If there had been any major displeasure with the regulations, which went into effect Jan. 18 and which will govern trade with Arab countries, he said in an interview, "you can be sure I would have heard about it pretty quickly."

The three major Jewish organizations that sat down with the Business Roundtable to work out the compromise on which the antiboycott law was based also gave their approval this week.

### A Joint Statement

In a joint statement, the American Jewish Committee, the American Jewish Congress and the Anti-Defamation League of B'nai B'rith said that with careful monitoring and "with the goodwill of United States business, there is reason to feel that the statute and regulations will be effective in combatting illicit boycott activity."

The regulations were put together under the supervision of Stanley J. Marcuss, deputy assistant secretary for trade regulation in the Commerce Department, which will also enforce them.

Some business leaders were relieved that the regulations incorporated principles that they considered essential to maintain the lucrative and growing trade with the Arab nations. Through November, the value of the trade with the Arab countries, excluding Iraq, totaled \$7.2

Continued on Page 29, Column 3

THE NEW YORK TIMES

Saturday, January 28, 1978

## New Rules on Boycotts Endorsed

Continued From Page 27

billion and could top \$8 billion for 1977 when December is tabulated.

The trade has been increasing sharply since 1974, when it totaled \$3.3 billion. It rose to \$5.3 billion in 1975 and \$7 billion in 1976.

The Arab boycott, enforced largely through a blacklisting of American companies that engaged in trade with Israel, was stepped up by the Arab countries following the 1973 war with Israel. It became of increasing concern to Jewish groups in the United States, as many American companies began to compete for Arab business.

When the issue over pushing through a law against the boycott threatened to break out into a bitter fight on Capitol Hill in early 1977, leaders of the Jewish groups and the Business Roundtable put together a behind-the-scenes compromise that formed the basis for the law.

Though both groups gave general endorsement for the regulations, they expressed some reservations. The Jewish groups said that they planned to set up their own agency to monitor the enforcement of the regulations by the Commerce Department.

Those on the business side cautioned that there were parts to the regulations that would make it more difficult to carry on trade and noted that the reaction of the Arab states was still largely unknown.

The regulations do incorporate some principles common to international trade: that of the right of a buyer in an importing country to make a unilateral selection, or his right to specify that a certain brand of tire be put on a tractor, for example.

Agents of American companies overseas have also generally been allowed to comply with local foreign laws.

These principles, however, have often been used by the Arabs to enforce their boycott against trade with Israel, and the Jewish groups sought to put limits on them through the law and the regulations. The Roundtable argued that, without them, trade could not take place.

Under the new regulations, American companies and their agents in the Arab countries are given leeway in filling Arab requests, even though the Arabs may use the results to enforce the boycott.

A buyer in an Arab country can specify in ordering soft drinks, for example, that he wants Pepsi-Cola. An American distributor can comply with the request, even though the intent of the Arab buyer is to avoid importing Coca-Cola, which happens to be on the boycott list.

THE WHITE HOUSE  
WASHINGTON

31 January 78

Frank Moore:

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

STATUS REPORT ON PANAMA CANAL  
TREATIES

THE WHITE HOUSE  
WASHINGTON

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<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

*return orig to me to read*

ACTION	FYI
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<input type="checkbox"/>	WATSON
<input type="checkbox"/>	McINTYRE
<input type="checkbox"/>	SCHULTZE

<input type="checkbox"/>	ENROLLED BILL
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<input type="checkbox"/>	EXECUTIVE ORDER

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<input type="checkbox"/>	SCHLESINGER
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<input type="checkbox"/>	STRAUSS
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<input type="checkbox"/>	WARREN

THE WHITE HOUSE  
WASHINGTON

January 23, 1978

MEMORANDUM TO THE PRESIDENT

FROM: FRANK MOORE  
BOB THOMSON **Bob**

RE: STATUS REPORT ON PANAMA CANAL TREATIES

A. BYRD MEETING

Warren Christopher, Bob Thomson and Ambler Moss (State) met with Senator Byrd this afternoon. They provided him alternative formats for including the October 14th Statement in the Treaties.

These are an understanding, a reservation, a protocol conditioning ratification of the Treaties upon the signing of the Statement, and amendments to Articles 4 and 6 of the Neutrality Treaty. None of the models presented were portrayed as an "Administration position."

Byrd will meet with Senators Sparkman, Church, Case, Javits and Baker tomorrow. He will try to convince them to report the Treaties from the Foreign Relations Committee clean. Failing that, he will suggest an understanding or reservation incorporating the Statement, so Senators can upgrade it to a protocol or amendment on the floor. Baker will support the latter approach. *done*

For purposes of the leadership breakfast tomorrow, you should express your hope that the Committee reports the Treaties with no amendments, reservations, etc.

B. PREPARATIONS FOR ACTION ON TREATIES

Warren Christopher, as acting Secretary of State, will be the primary policy contact with the Senate. White House and State Congressional Liaison will deal with our Senate allies on tactics. State is the lead at Committee level, White House CL on the floor.

All proposed decisions will be submitted to you and Zbig for approval or comment.

We now have a congressional liaison task force from all affected agencies meeting twice a week. Moreover, Tom Hart of Senator Byrd's staff has expressed interest in meeting regularly with the Senate staff group we have organized. These meetings have taken place weekly, but now will be more frequent.

#### C. TIMING

The Senate Foreign Relations Committee (SFRC) will have a closed session tomorrow at 2:30 to discuss mark-up and floor procedures. The Committee's last day of hearings is Wednesday. Mark-up begins Thursday. The Committee hopes to complete mark-up by close of business Friday, but it may take until Monday.

The Armed Services Committee has scheduled three days of hearings for January 24, 25 and February 1.

The leadership hopes to have the Treaties on the floor by February 6.

#### D. SENATE PROCEDURE

As we now understand it, procedure for Senate consideration of the Treaties is as follows:

1. Treaties and Resolutions of Ratification are reported from the SFRC.
2. Treaties are placed on the Executive Calendar in the order in which they are reported. We have urged the SFRC to report the Neutrality Treaty first.
3. The majority leader will make a non-debateable motion to take up the Executive Calendar
4. Upon passage of the motion, the Senate automatically moves to a Committee of the Whole and the first Treaty is automatically the pending order of business. All action on the first Treaty must be completed before the second Treaty may be considered.

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Sen Byrd*

5. The Committee of the Whole considers the first Treaty article by article, dealing with SFRC amendments to each article first. The Committee of the Whole may consider only amendments, not reservations, understandings, etc.

6. After completion of the Treaty and consideration of all amendments, the Committee of the Whole "reports" the Treaty to the Senate. The Senate automatically begins consideration of the "report" of the Committee of the Whole.

7. If Committee of the Whole amendments are not approved en bloc by unanimous consent, then the Senate must again consider each article in turn. Committee of the Whole amendments to each article are considered first. At this stage again, the Senate may consider only amendments, not reservations, understandings, etc.

8. After considering all articles and amendments, the Senate then votes on the Treaty as amended.

9. If the Treaty is approved, the Resolution of Ratification for that Treaty is automatically before the Senate.

10. During consideration of the Resolution of Ratification, the Senate may not consider further amendments to the Treaty. Senators may now offer only reservations, understandings, etc.

11. If the Resolution of Ratification is approved, the Treaty, as amended, and the Resolution of Ratification, with reservations, understandings, etc., attached are sent to you -- finally.

12. The procedure must then be repeated for the second Treaty.

#### E. CLOTURE

Senators could filibuster the Treaties at several points during their consideration. The Senate

parliamentarian is prepared to rule that cloture, once obtained, applies during the entire consideration of a single Treaty. Thus, cloture obtained during debate in the Committee of the Whole would limit debate on a Treaty until the Senate finally approved the Resolution of Ratification for that Treaty. Treaty opponents will fight this ruling and a floor vote is likely.